

EXPEDITING CARGO

A closer look at two companies

By Kirsten Swann

When spring overflow from the Sagavanirktok River rose up and covered the Dalton Highway this spring, it cut off the only road connection to the North Slope—and some of the largest oil and gas developments in the state.

The road was closed for eighteen days while crews worked to divert the water and shore up the damaged thoroughfare. Flooding washed out entire sections of the highway, according to the Alaska Department of Transportation and Public Facilities. Deadhorse was inundated. Governor Bill Walker declared a disaster, and industry partnered with government to coordinate the massive response effort. While the road soaked under more than a foot of water, the Deadhorse Airport operated around the clock to help support companies working on the North Slope. And for two-and-a-half-weeks they made it work.

The highway closure highlights the importance of Alaska's transportation infrastructure—or lack of it—and the critical role of the businesses that move freight across the state.

They travel by land and by sea. There are national corporations and small, Alaska-grown businesses that began in a backyard or home office. They use different terms to describe their work, but it all boils down to the same core mission: These are the companies that deliver the materials used to build Alaska.

For many destinations, shipping cargo over land simply isn't an option. Alaska's road system is sparse. In Western Alaska, it's all but nonexistent. But coastline and waterways come in abundance.

Alaska has more miles of shoreline than any other state in the union, according to the National Oceanic and Atmospheric Administration, and hauling freight by barge can often be the most cost-effective method for businesses working in remote parts of the state. Trips take longer by boat, but it can be cheaper than flying and more accessible than driving.

Reliable Expediting

After ten years as the logistics manager at Osborne Construction Co., Allyn Long knew the value of reliable freight expediting services. He saw an opportunity to go into business for himself. That was in 2003.

Today, Alaska Logistics provides barge services between Seattle and the Last Fron-



Courtesy of Horst Expediting and Remote Operations

Horst Expediting and Remote Operations expediting a load of materials on the Dalton Highway.

tier. Besides ports in Seward, Dillingham, Bethel, Nome, and Naknek, Long's company serves communities throughout Western Alaska. More than one hundred of them have no docks, let alone a port. Combine the lack of infrastructure with the region's notoriously shallow waters, and marine freight companies have their work cut out for them.

For Long, it's all about having the right tools for the job. "It's a very equipment-intensive industry," he says.

Alaska Logistics utilizes a fleet of small boats and shallow-draft vessels to deliver freight along the coast and inland as far as Nikolai, nine hundred miles up the Kuskokwim River. Boats are just one piece of the puzzle: unloading the freight is another. To do that, Long's company keeps a fleet of forklifts at its hub facilities and relies on purpose-built loaders for work on remote beaches and rough terrain.

It took about a decade to build up the current equipment inventory, Long says.

"When I first started, we were basically a broker, hiring big barges and chartering them from Seattle," the general manager says. "It worked in the beginning, but as we've grown we just couldn't count on other people's equipment."

In Long's view, the market hasn't changed much over the years, but his company has

enjoyed steady growth since first opening for business. Alaska Logistics now employs up to seventy people during the busy summer season. Its freight is mostly comprised of construction materials for various state and federal projects, school districts, housing projects, and other civic developments.

The work has its challenges, Long says. Without any outside investors, initial business expansion proved difficult. Finding the right people is also huge.

"There's not a lot of young people going into [the business]," the general manager says. "And there's a lot of competition up here."

Competition within the industry—and the opportunity to fill a beckoning niche in the market—was what led Long to start Alaska Logistics in the first place. There had been a big acquisition among major marine operators, and Long saw the opportunity to bring a valuable service to the region's smaller communities.

'That Guy'

In Fairbanks, Horst Expediting and Remote Operations has built a name on its network, leveraging long-term business relationships to meet customer needs quickly and effectively. Josh Horst, the company's founder and president, calls it problem solving.

"A big part of what we're selling is our network," he says. "That's the real core of the service that we can offer."

Horst established his expediting company in 2008 after working field jobs in commercial industry. He saw the value of an experienced expeditor; he "wanted to become that guy."

With his local connections, Horst Expediting soon became a reality. The first office was located in a tent in his backyard. These days, the company is housed in a rented commercial space and employs up to four people during the busy summer season. It supports a variety of fieldwork, including scientific research and minerals exploration. The business can be volatile, Horst says.

"Sometimes things are red hot and sometime they're not," he says. "In general, business has continued to strengthen."

The Fairbanks expediting company has done business with larger-size mining projects throughout the Interior, notably NovaCopper in the Ambler Mining District. It's become a go-to provider for small family mining companies who don't have a big name or budget but still need quick deliveries to keep the business going.

Horst's services run the gamut. For clients working along the road system, like Cruz Construction, the company can do

equipment runs and other errands, finding and delivering crucial materials or a part needed to get some equipment back up and running. Time matters. It's gratifying work.

"It's kind of like being the last link in the supply chain," Horst says. "It's cool, because those guys appreciate it."

From its backyard beginnings, the expediting company has grown to include a fleet of small vehicles, trucks and vans capable of hauling about a ton at a time. For projects beyond the road system, the company uses its local network to outsource flight transport, turning to other familiar names like Everts Air Cargo or Wright Air Service. For on-the-road projects too large for its own fleet to handle, the company might work with a third-party trucking company to make the delivery as quickly as possible.

Horst has worked with many of its vendors for a while now. It focuses on building relationships with clients and contractors alike. "We really try to walk in with a good attitude and be courteous and have a smile on our faces," he says.

Those relationships help Horst move cargo fast when it counts.

Expediting can be equal parts transportation and procurement. For one account, Horst says, his company keeps a real-time ordering spreadsheet listing everything

from camp necessities to equipment parts and drill supplies. When the client needs a particular item, they update the spreadsheet and the expediting company will source it, buy it, and ship it to the worksite. That's why a local network is so important, Horst says: Knowing who to call and who to talk to saves time and money.

Halting progress in natural resource sectors has had an impact on the business. According to the company's president, growth has been slow but continuing. Horst is optimistic about the future. "I'm really very happy with the company, the way it's slowly developing," he says. "I think we're on a good track."

For small regional operators, Horst offers a prompt, personal freight expediting option. For outside groups coming in to the area for the first time, the company provides the local knowledge and network to keep projects moving.

It's all about working with customers to find the best solutions, Horst says. Freight expediting is a business for problem solvers, he says, adding: "That's what we are, every day." ❁

Kirsten Swann is a freelance journalist based in Anchorage.



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